Saskatchewan
Agriculture

Annual Report
1989

Saskatchewan Natural Products Marketing Council

90-05093/

Table of Contents

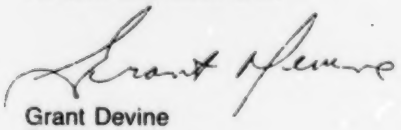
	Page
Introduction	4
Supervision of Marketing Boards and Commissions	4
Approval of Board and Commission Marketing Orders	5
New Marketing Plans Reviewed in 1989	
Appeals Under the Act	6
Board and Commission Operations	7
Saskatchewan Broiler Hatching Egg Producers' Marketing Board	7
Saskatchewan Chicken Marketing Board	8
Saskatchewan Commercial Egg Producers' Marketing Board	10
Saskatchewan Turkey Producers' Marketing Board	12
Saskatchewan Pork Producers' Marketing Board	13
Saskatchewan Pulse Crop Development Board	16
Saskatchewan Sheep and Wool Marketing Commission	16
Saskatchewan Sheep Development Board	17
Saskatchewan Vegetable Marketing and Development Board	18
National Marketing Agencies	19

To Her Honour
The Honourable Sylvia Fedoruk
Lieutenant Governor of the Province of Saskatchewan

Madam:

I have the honour to submit the 1989 Annual Report of the Saskatchewan Natural Products Marketing Council.

Respectfully submitted,



Grant Devine
Premier and
Minister of Agriculture and Food

Honourable Grant Devine
Premier and
Minister of Agriculture and Food
Legislature of Saskatchewan
REGINA, Saskatchewan
S4S 0B3

Dear Premier Devine

In accordance with section 10 of **The Natural Products Marketing Act**, I submit herewith the Annual Report of the Natural Products Marketing Council for 1989.

Respectfully submitted,

Blair Backman, Chairman
Natural Products Marketing Council

In Memorium

Mr. Fred Stokes, Debuc

The Natural Products Marketing Council deeply regrets the passing of Mr. Fred Stokes. Mr. Stokes was a member of Council from November 24, 1982 until the time of his passing in February 1989. Mr. Stokes had many strengths and was especially adept at understanding and addressing the needs of the Saskatchewan family farmer. Through Mr. Stokes' integrity and dedication to this ideal, Council developed and maintained a pragmatic and realistic approach in dealing with its decisions and responsibilities. Mr. Stokes' roots to community and family gave Council the assurance that its actions were always in the best interests of the agricultural community.

Duties of Council

The Natural Products Marketing Council is established under The Natural Products Marketing Act, R.S.S. 1978. This Act allows for the creation of marketing boards and marketing commissions for farm products in Saskatchewan. The duties of the Natural Products Marketing Council as outlined in section 7 of the Act include:

(a) advise the Minister on all matters related to the establishment and operation of boards, commissions and any agencies empowered to operate under this Act;

(b) be responsible to the Minister for the operation and the administration of boards and commissions and for that purpose, shall make and enforce such regulations as may from time to time be approved by the Lieutenant Governor in Council;

(c) conduct or supervise votes on marketing plans as required by the Lieutenant Governor in Council or the Minister; and

(d) perform such other duties relating to the marketing of natural products as the Minister may require.

Saskatchewan Natural Products Marketing Council Members
(as of December 31, 1989)

Mr. Blair Backman, Chairman, Consul
Mr. Lorne Christopherson, Vice-Chairman, Weldon
Mr. Murray Dennis, Wierdale
Mrs. Mary Kirkland, Unity
Mr. Al Mulhern, Meyronne
Mrs. Jean Piercy, Rosetown
Mrs. Shirley Warden, Regina

Staff
Mr. Roydon G. White, Secretary, Regina

Council Office
Room 329
Walter Scott Building
Regina, Saskatchewan
S4S 0B1
Phone (306) 787-5952

Introduction

The Natural Products Marketing Council met a total of ten times in 1989 in order to carry out its supervisory role for boards and commissions established under The Natural Products Marketing Act.

Highlights and accomplishments in 1989 were:

- The addition of three new members to the Council, Mr. Murray Dennis, Mrs. Mary Kirkland and Mrs. Jean Piercy, replacing Mr. Ken Rosaasen, Mr. Jack Stueck and Mr. Fred Stokes. At the same time, Mr. Blair Backman was appointed as Chairman and Mr. Lorne Christopherson was appointed as vice-chairman;

- A producer plebiscite and subsequent establishment on October 26, 1989, of the Saskatchewan Sheep Development Plan;

- An investigation and subsequent hearing on an appeal brought by a chicken producer with respect to a condition attached to an application for transfer of quota;

- An investigation and subsequent hearing on an appeal brought by a producer with respect to a sales transaction administered by the Sheep and Wool Marketing Commission;

- Maintenance of a positive relationship with boards and commissions and ensuring that they operated within the terms of reference contained in their respective marketing plans; and

- Participation in the operation and supervision of the Canadian Chicken Marketing Agency, the Canadian Egg Marketing Agency and the Canadian Turkey Marketing Agency in the interests of all sectors of the poultry industry.

The Council continued to monitor the Saskatchewan poultry industry's performance under the national marketing system. It is recognized that the producer sector is satisfied with the benefits of participation in the marketing plans. However, the Council remains dedicated to ensuring that the policies and operations of national agencies operate in the best interest of both large and small provinces. The Council will endeavour in 1990 to review the principles and guidelines of quota allocation procedures in order to ensure that the principle of least cost production remains a prime determinant for distribution of quota between provinces.

Supervision of Marketing Boards and Commissions

In 1989, the Natural Products Marketing Council was responsible to the Minister of Agriculture and Food for the operation and administration of the following marketing boards and commissions under **The Natural Products Marketing Act:**

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board
The Saskatchewan Chicken Marketing Board
The Saskatchewan Commercial Egg Producers' Marketing Board
The Saskatchewan Pork Producers' Marketing Board
The Saskatchewan Pulse Crop Development Board
The Saskatchewan Sheep and Wool Marketing Commission (January 1 to October 25, 1989)
The Saskatchewan Sheep Development Board (October 26 to December 31, 1989)
The Saskatchewan Turkey Producers' Marketing Board
The Saskatchewan Vegetable Marketing and Development Board

In order to fulfil its responsibility for these boards and commissions, the Council engaged in the following activities:

1. The minutes of regular and annual meetings of boards and commissions were reviewed;

2. Council representatives attended meetings of boards and commissions and reported back to the Council;

3. Joint meetings of the Council with representatives from the following agencies were convened:

   The Canadian Chicken Marketing Agency
   The Saskatchewan Chicken Marketing Board
   The Canadian Egg Marketing Agency
   The Saskatchewan Commercial Egg Producers' Marketing Board
   The Saskatchewan Pork Producers' Marketing Board
   The Saskatchewan Vegetable Marketing and Development Board

4. Members of Council attended the annual meetings of the four poultry marketing boards as well as the Pork Producer's Marketing Board, the Pulse Crop Development Board and the Vegetable Marketing and Development Board.

5. The Council cooperated with the poultry marketing boards in representing the interests of Saskatchewan at meetings of national marketing agencies.

6. Officials of the Council attended two meetings of the National Farm Products Marketing Council as well as a number of meetings of the Provincial Agricultural Marketing Supervisory Agencies.

7. The Council reviewed the annual reports of boards and commissions.

8. Members of the Council attended and observed several producer sponsored meetings that were conducted by Harvest Foods Consultants. The meetings were held by Harvest Foods as part of study to determine the level of producer support for a producer operated canola development plan.

9. The Council facilitated the resolution of complaints against actions of marketing boards by providing conciliation and conducting two appeal hearings.

The Natural Products Marketing Council reports that marketing boards and commissions met their obligations under The Natural Products Marketing Act in 1989.

Approval of Board and Commission Marketing Orders

Marketing boards and commissions exercise certain powers granted to them by their marketing plans through marketing orders. These orders require Council approval. Council reviewed and approved the following orders in 1989:

Saskatchewan Pulse Crop Development Board

Order No. 1/89 - Levy Collection
Purpose: The Order was amended to allow the Pulse Crop Development Board to obtain the mailing addresses of producers from buyers of pulse crops.

Saskatchewan Sheep Development Board

The following orders were approved by the Council to facilitate a smooth transition between the current Sheep and Wool Marketing Commission and the new producer-elected Sheep Development Board.

Order No. 1/89 - Definitions
Purpose: The Order provides definitions for terms used in the text of the orders that were not already defined in the plan.

Order No. 2/89 - Producer Registration
Purpose: The order specifies the requirements and procedure for registration of new and existing producers.

Order No. 3/89 - Producer Reports
Purpose: The order specifies the procedure and information required of registered producers.

Order No. 4/89 - Marketing Services and Procedures
Purpose: The order specifies the conditions and terms under which producers are paid for sheep and wool marketed through the board.

Order No. 5/89 - Buyer Registration
Purpose: The order specifies the procedure and information required of persons marketing or handling sheep or wool.

Order No. 6/89 - Processor Licensing
Purpose: The order specifies the procedure for licensing federally or provincially inspected sheep processors for the purpose of monitoring the numbers of sheep processed in Saskatchewan.

Order No. 7/89 - Reporting Procedures
Purpose: The order requires persons marketing sheep or wool to provide statistical information to the board.

Order No. 8/89 - Fee and Penalty Schedule
Purpose: The order specifies the amount of the fees and the penalties required to be paid by producers reporting to the board.

Order No. 9/89 - Marketing Charges
Purpose: The order specifies the nature of the charges that would be paid by producers who choose to market through the board.

Order No. 10/89 - Insurance
Purpose: The order specifies the conditions and procedure for insuring animals marketed through the board.

Order No. 11/89 - Delivery Procedures for Sheep
Purpose: The order specifies the procedure to be followed when sheep are marketed through the board.

Saskatchewan Turkey Producers' Marketing Board

Order No. 28/89 - Quota Limitations
Purpose: The order was amended to clarify the guidelines for limiting the size of production units.

Saskatchewan Vegetable Marketing and Development Board

Order No. 1/89 - Producer Registration
Purpose: The order specifies the fees and procedure for producer registration.

Order No. 2/89 - Check-off and Check-off Collection
Purpose: The order specifies the procedure and amount of the check-off required from producers.

Order No. 3/89 - Buyer Registration
Purpose: The order specifies the procedure for buyer registration.

Order No. 4/89 - Levy Collection
Purpose: The order specifies changes made to the Levy Collection System originally made in Order #2/89.

New Marketing Plans Reviewed in 1989

Under The Natural Products Marketing Act, plans for new marketing boards are referred by the Minister of Agriculture and Food to the Natural Products Marketing Council for review and recommendation. In 1989, Council acted on two proposals, one by representatives of the Saskatchewan sheep industry, the other by representatives of the Saskatchewan Canola Growers Association.

Saskatchewan Sheep Development Plan

On April 18, 1989 the Lieutenant Governor in Council directed the Natural Products Marketing Council to conduct a plebiscite on the question of whether or not producers were in favour of a producer operated development board. The Council planned the procedure for the vote and selected a returning officer and date for the mail-out vote to take place. Four public meetings were advertised and conducted to provide producers with a first hand explanation of the proposed plan. The plebiscite took place on June 12 to June 30, 1989. Results were certified by the returning officer and reported to the Minister of Agriculture and Food on July 10, 1989. On October 26, 1989, the Lieutenant Governor in Council established the new plan by Order in Council. On that day the assets and liabilities of the previous Sheep and Wool Marketing Commission were legally transferred to the new interim board. The purpose of the interim board is to administer the new plan until such time as the first elected board is in place. The election is required to be called within one year of the establishment of the plan. The first annual report of the Saskatchewan Sheep Development Board is herewith enclosed.

Proposed Canola Development Plan

In December 1988, the Saskatchewan Canola Growers Association (SCGA) met with the Council for the purpose of discussing the procedure required for establishing a producer operated canola development plan. The principles of a proposed plan were discussed and the proponents were advised of the process involved for establishing such a plan. Council members attended some producer sponsored meetings to monitor the development of the plan.

Appeals Under the Act

The Natural Products Marketing Act allows any person aggrieved by a decision of a marketing board or commission to appeal the matter to the Natural Products Marketing Council. Council hears the parties involved, and makes a ruling on the appeal. Three appeals were filed in 1989. Two appeal hearings were held and one appeal was resolved without the need for a hearing.

Appeal Filed February 24, 1990

On February 24, 1989, a chicken producer filed notice of appeal regarding conditions attached by the Chicken Marketing Board to the producer's application for quota transfer. The condition of transfer required that the production unit surrender all newly issued quota to the Board because the quota had not been produced at the unit for at least eighteen months. Attempts were unsuccessful at mediating the issue and a hearing was held on April 4, 1989. The producer and representatives of the Board attended the hearing. Central to the issue was the interpretation of Board Order 5/87 - Transfers. The Board's position was that the order was intended to prevent the transfer of any of a production unit's quota within eighteen months of the unit having received a new allotment from the Board. The producer contended that the transfer in question was for quota that had been attached to the production unit prior to the recent Board issue. The Council reviewed the positions and found that the producer's interpretation was consistent with the wording of the Order.

It was the Council's view that the order's surrender condition could only pertain to newly issued quota. Council ruled that the Board could not require the production unit to surrender, as a condition of transfer, any of the newly issued quota. On April 21, 1989, the same producer filed a second appeal related to the transfer of quota from his unit. The issue was resolved by the producer and the Board prior to a hearing taking place.

Appeal Filed October 26, 1990

On October 26, 1989 an appeal was filed on behalf of a sheep producer regarding actions of the Sheep and Wool Commission in handling the sale of a shipment of the producer's lambs. The producer claimed that the Commission was responsible for collecting the full value on eight lambs that died a short time after arrival at the buyer's feedlot. The producer had first taken the complaint to the Commission in August, 1989, but was not satisfied with the Commission's response of offering only one-third the value of the dead lambs. Attempts were unsuccessful at mediating the issue and an appeal hearing was conducted on December 14, 1989, the producer and his representative and a representative of the new Sheep Development Board in attendance. Central to the problem was the fact that there was no written contract detailing the terms and conditions of sale. Given the understanding that both parties shared responsibility in the dispute, the parties agreed to compromise and split the cost of the dead lambs. Council accepted the compromise and directed the Sheep Development Board to develop and publish a detailed set of terms and conditions of sale so that all parties to future transactions would be fully aware of their responsibilities.

Board and Commission Operations

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board

The Directors of the Saskatchewan Broiler Hatching Egg Producers' Marketing Board for 1989 were:

Gerald R. Leduc, Chairman, Assiniboia
Mervin M. Slater, Vice-Chairman, Tramping Lake
George Murray, Saltcoats
Donald H. Conrad, Secretary/Manager, Regina

The Board regulates the production of broiler hatching eggs used for the commercial production of broiler chicken in Saskatchewan. The Board's objective is to provide for an adequate supply of eggs in the hatching egg industry and to stabilize and improve producer returns.

National Agency

The Canadian Broiler Hatching Egg Agency was established in 1986. Saskatchewan has been asked to join the national agency. Discussions were held in 1988 between representatives of the Agency, the Board and the Natural Products Marketing Council to review the implications of Saskatchewan's membership. It was concluded that membership in the Agency would bring no significant advantages to Saskatchewan. No further developments occurred in 1989.

Producer Numbers and Quota Allocation

Fourteen producers registered with the Board in 1989.

Quota allocation for 1989 was 106,330 hens with a potential production of 15.4 million hatching eggs. This represents no change from the allocation in 1987 or 1988. Flock sizes indicate the distribution of quota amongst producers and are listed in Table #1.

Table #1

Saskatchewan Broiler Hatching Eggs
Flock Sizes 1986-1989

Flock Size (no. of hens)	Number of Quota Holders			
	1986	1987	1988	1989
100 - 999	2	2	0	0
1,000 - 2,999	4	4	5	5
3,000 - 4,999	1	1	1	1
5,000 - 6,999	2	1	1	1
7,000 - 9,999	4	5	5	5
18,000	1	1	1	1
28,500	1	1	1	1
Total	15	15	14	14

Quota Changes

At year end, one unit had been placed in receivership and was up for sale. No other transfers were made during 1989.

Minimum Price

The 29.5 cent price per saleable chick set September 1, 1988 held steady throughout the year. There was continued pressure on the hatcheries for an increase in producer price but this was not negotiated until year end when the price was increased by one half cent.

Producer Levy

The levy was set at 30 cents per 100 eggs delivered to the hatchery, no change from 1987 or 1988.

Marketings

Table #2 describes the performance of the industry over the last three years.

Table #2

Broiler Hatching Egg Marketings 1987-1989

	1987	1988	1989
Total Eggs Set	15,721,336	15,488,894	15,426,361
Total Chicks Hatched**	11,764,630	11,585,024	11,724,034
Total Eggs Marketed	12,646,667	12,095,970	11,318,630
Estimated Value of Eggs Produced	$2,550,390	$2,537,091	$2,644,198

** Based on 77% hatchability

Extension Services

The University of Saskatchewan continued to provide extension services in 1989. Mr. Carlyle Bennett continued as a poultry extension specialist and Dr. Bob Goodhope continued as the extension veterinarian. The Board's assessment for the cost of extension services was $1487.00 in the first quarter and $925.59 for the last three quarters of 1989.

1989 Review

Although feed prices did not rise as dramatically as they did in 1988, many increases were experienced in other costs of production. It was not until late in the year that hatcheries were in a position to increase the producer price. The Board conducted a one day producer short course on August 29, 1989, on breeding stock management. The course was well attended with nine production units being represented. The Board participated in the Canadian Western Agribition by providing a display pen of parent breeding stock supplied by Mr. James Glen. Efforts were continued by the Board in cooperation with the Committee on Extension and Research. As a result, producers received a number of "Pointers" for the purpose of improving flock management. It is expected that the extension program will be continued for another three years.

Outlook for 1990

Hatching egg fertility is expected to improve in 1990 as a result of producers' application of techniques in male management.

The Board looks forward to expanding production quota in 1990. The Board expects that 1990 will see the addition of one or two new flocks to accommodate demand for hatching eggs that is currently being filled by imports. Negotiations with representatives of the hatcheries are aimed at placing another 5,000 hens in Saskatchewan in 1990.

Saskatchewan Chicken Marketing Board

The directors of the Saskatchewan Chicken Marketing Board for 1989 were:

Charles Stueck, Chairman, Abernethy
John Reddekopp, Vice-Chairman, Dalmeny
Ray Hayko, Regina
David Keet, Vanscoy
Phil Stilborn, Balcarres

Jerry Novak, Secretary/Manager, Regina

The Saskatchewan Chicken Marketing Board, in conjunction with the Canadian Chicken Marketing Agency, sets quota for chicken produced in Saskatchewan. The objective of the Board is to improve and stabilize producer returns by managing the supply of live product. The Board sets the producer price of chicken through negotiation with poultry processors.

Producer Numbers

There were 75 producer licences issued in 1989. Fourteen transfers were approved by the Board, which involved a total of 2,000,688 kgs as compared to one transfer of 63,720 kgs in 1988 and transfers of 1,859,100 kgs in 1987. In 1989, 10.8% of production changed hands compared to 0.4% in 1988 and 11.0% in 1987. Distribution of quota is described in Table #3.

Table #3

Distribution of Quota Holdings 1985-1989
(number of producers)

Broiler Flock Size	1985	1986	1987	1988	1989
1,000 - 9,999	4	2	1	2	2
10,000 - 14,999	9	10	12	12	13
15,000 - 19,999	30	30	27	27	18
20,000 - 29,999	9	7	10	10	11
30,000 - 39,999	6	7	6	6	7
40,000 birds or more	9	8	9	9	11
Roasters Only	3	4	3	2	4
Roaster/Broiler	0	0	5	5	9
Total	70	68	73	73	75

The live weight quota base in 1989 was 17,769,500 kgs (10,039,266 head) of broilers and 867,328 kgs (271,040 head) of roasters. This represents a 7.7% increase over the quota base of 17,301,588 kgs in 1988. The actual production of chicken over the last five years is described in Table #4.

Table #4

Saskatchewan Chicken Production 1985-1989

Year	Type of Bird	No. of Birds	Live Weight (kgs)	Average Live Bird Weight (kgs)
	Broilers			
1985		8,378,260	14,861,800	1.77
1986		8,902,000	16,123,100	1.81
1987		9,508,000	17,305,300	1.82
1988		9,284,950	16,873,200	1.82
1989		9,563,209	18,030,669	1.89
	Roasters			
1985		212,148	656,300	3.09
1986		223,904	691,328	3.08
1987		231,255	709,955	3.07
1988		191,434	581,007	3.04
1989		248,456	793,427	3.19

The total dollar value of chicken produced in Saskatchewan over the last five years is described in Table #5.

Table #5

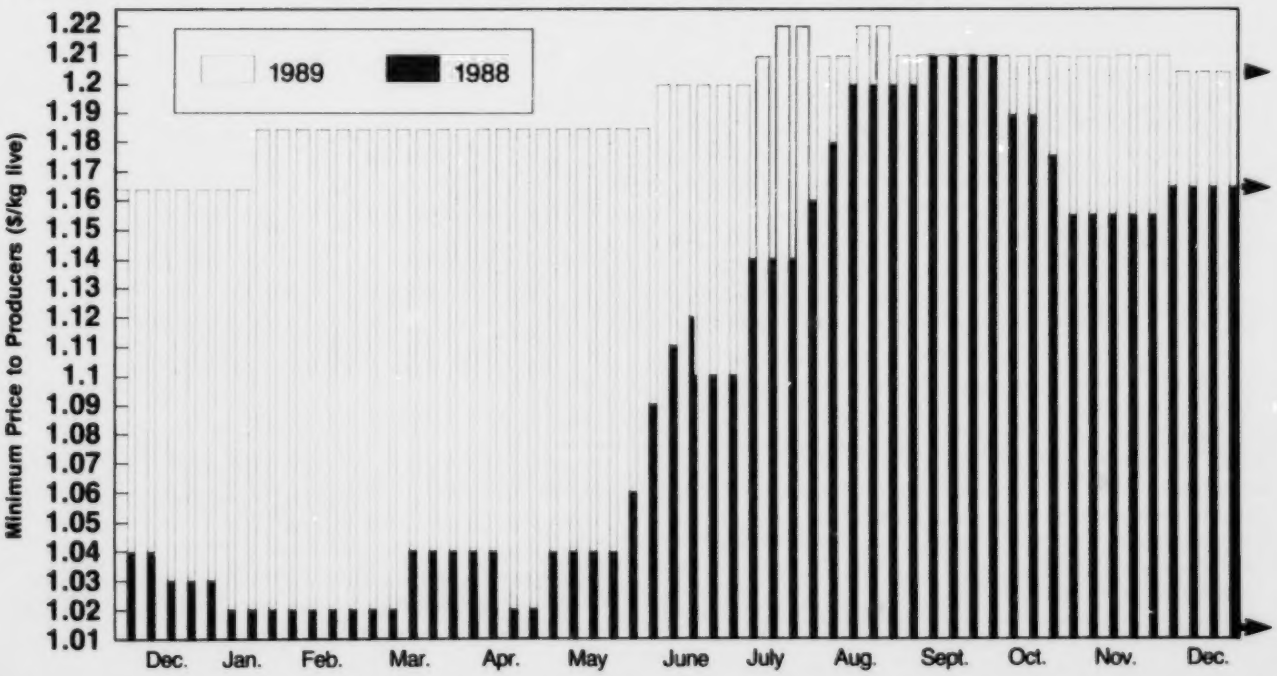
Value of Production To Producers 1985-1989

Year	Value	Production
1985	$17.76 million	15,518,100 kg
1986	$18.39 million	16,814,428 kg
1987	$19.79 million	18,015,300 kg
1988	$20.27 million	17,508,507 kg
1989	$22.28 million	18,603,100 kg

Prices

Graph #1 illustrates the broiler producer price changes in 1989 in comparison to 1988. The price trend in 1989 demonstrates a recovery from the low prices in 1988.

Graph 1 **Broiler Producer Price Changes in 1988-1989**



Source: Sask. Chicken Marketing Board Price Bulletins Nos. 193-199

Producer Levies

On January 1, 1989, the CCMA increased the national levy from 0.34 cents to 0.43 cents per 100 kgs. On March 1, 1989, the Board increased the provincial levy from 1.15 cents to 1.50 cents per kg. The CCMA was expected to increase the national levy again on January 1, 1990, to .50 cents per 100 kgs. The 1989 levy produced $273,491 of which $79,991 was collected for the CCMA. This compares to $198,160 collected in 1988 where $61,564 was turned over to the CCMA.

Quota Allocation

Saskatchewan's total allocation for 1989 was 15,000,000 kgs (evisc). Production amounted to 14,460,190 kgs (evisc). This was equivalent to a shortfall of 539,810 kgs or 3.6%. The Board's total live weight allocation to producers in 1989 was 17,807,100 kgs with production of 18,603,100 kgs. Producers came in at 796,000 kgs or 4.5% over the Board's allocation.

Producer Extension Program

Poultry seminars were held in Wynyard and Dalmeny. Presentations by Mr. Carlyle Bennett and Dr. Bob Goodhope, both of the University of Saskatchewan, were attended by 43 producers. The Producer Performance Award was received by Mr. Gerry Leduc. This award is presented annually and is based on a comparison of producer production records in Saskatchewan.

Promotion

Under the promotion agreement with "Just Chicken" the Board continued to conduct barbecues in 1989 where 7,894 halves of chicken were cooked. Approximately 30,000 pieces of literature (cook books and recipes) were mailed out schools and institutions and distributed at "Farm Progress Shows", Western Canadian Agribition and the Saskatoon Mexabition. Point of sale material was distributed with the cooperation of processors at the Canadian Western Agribition as well as the Farm Progress Show. Producer competitions were held at the 1989 Agribition attracting 16 entrants.

Outlook For 1990

The CCMA has set the 1990 national allocation at 4.% over 1989. Storage stocks remained at manageable levels during 1989 and expectations are that consumer demand will continue to rise 2% to 3% in 1990. Producer price is expected to decrease depending on the availability of feedstuffs and the extent of global import pressure (processed product brought in from outside of Saskatchewan). Saskatchewan expects that production quotas will be achievable in 1990 if the new national six period production and penalty system is effective in assuring that production will avoid surpluses and better match seasonal demand.

Saskatchewan Commercial Egg Producers' Marketing Board

The directors of the Saskatchewan Commercial Egg Producers' Marketing Board for 1989 were:

Ted Wiens, Chairman, Regina
Albert Folmer, Vice-Chairman, Prince Albert
Duncan Crick, Gravelbourg
Don Guenter, Saskatoon
Carol Teichrob, Saskatoon
Harry Waddell, Humboldt

Dave Mackie, Secretary/Manager, Regina

The Saskatchewan Commercial Egg Producers' Marketing Board, in conjunction with the Canadian Egg Marketing Agency (CEMA), sets quota for eggs produced in Saskatchewan for the table-egg market and sets the price of eggs. The Board's objectives are to improve and stabilize producer returns and ensure a supply that meets consumer demand.

Production and Marketing

Table #6 gives a historical record of the number of registered producers, along with their marketings and the value of those marketings.

Table #6

Table Egg Marketings 1984-1989

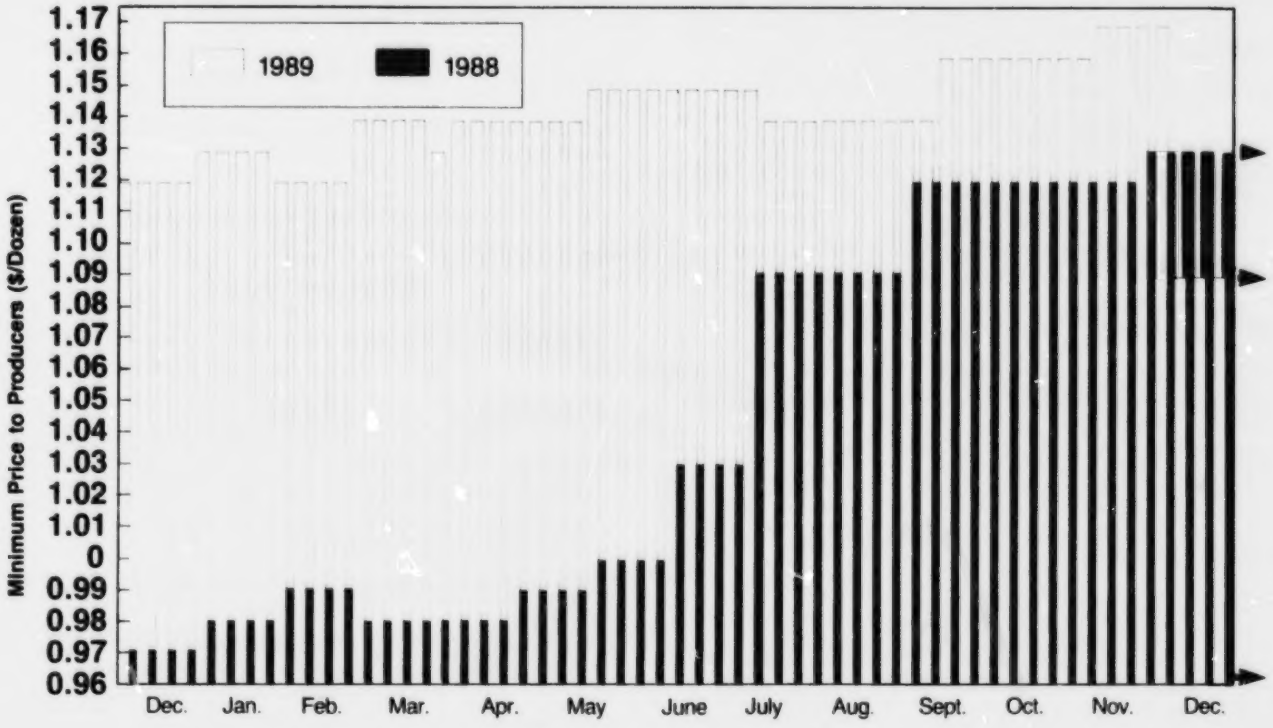
Year	Producers	Marketings (million doz.)	Value of Marketings (million $)
1984	99	13.83	12.49
1985	92	14.37	12.50
1986	85	14.68	13.01
1987	81	14.90	13.06
1988	81	15.29	14.48
1989	80	15.61	14.69

Producer Price

The following graph illustrates the producer price changes put into effect by the Board during 1989.

Graph 2

Saskatchewan Grade "A" Large Price Levels 1988-1989



Source: Sask. Commercial Egg Producers Marketing Board Price Bulletins Nos. 210-219

Quota Allocation

Saskatchewan's total quota for 1989 was 743,280 layers. This represents a 6.2% increase over 1988. Table #7 describes how quota is distributed amongst producers.

Table #7

Saskatchewan Commercial Egg Quota Distribution 1987-1989

	Number of Producers		
Flock Size	**1987**	**1988**	**1989**
300 - 1,000	4	4	3
1,001 - 3,000	12	12	12
3,001 - 5,000	19	19	17
5,001 - 10,000	23	23	23
10,001 - 20,000	13	13	14
20,000 and over	10	10	11
Total	81	81	80

Review of 1989

As a result of a recent CEMA update, recognizing that Saskatchewan from unregulated flocks is declining, Saskatchewan's producer allocations increased from 700,172 hens in 1988 to 748,518 hens in 1989. This was a unique circumstance relative to other provinces who were required to cut back because of the two national quota cuts (2.0% each) in 1989. Provincial table egg disappearance in 1989 was 805,283 boxes (15 dozen/box). This represents a 4.5% decrease from 1988. Surplus declaration also decreased, from 2.69 million doz. in 1988 to 2.44 million doz. in 1989. A voluntary early fowl removal program ran nationally from January 1, 1989, to July 29, 1989. The purpose of the program was to reduce the volume of eggs going into surplus before the 2% national quota cut went into effect on August 6, 1989. Saskatchewan had 19 producers participate with an estimated decrease in marketings of 14,329 boxes.

Prices

Graph #2 illustrates the price changes in 1989 in comparison to 1988.

Outlook for 1990

Seasonal pricing will be in full swing in 1990. The purpose is to increase the price paid to producers during the high demand period, then reduce the price below the formulated cost of production during periods of low demand. Producers would still be expected to receive their cost of production plus a reasonable return over the course of the year. The program is expected to lower the cost of surplus removal during low demand periods.

The nest-run concept is to implemented in 1990. This program is expected to further reduce the cost of surplus removal by declaring product for industrial use before incurring the expense of handling and grading. On May 6, 1990, the national flock will be reduced by 2% to reflect the current market trend in table egg demand.

Table #8

Saskatchewan Turkey Marketings 1985-1989

Year	Number of Producers	Production (tonnes evisc.)	Value (000's of $)
		Production	
1985	23	3,854	6,900
1986	25	3,995	7,236
1987	23	4,350	7,635
1988	25	4,305	7,515
1989	26	4,427	8,179

Saskatchewan Turkey Producers' Marketing Board

The directors of the Saskatchewan Turkey Producers' Marketing Board in 1989 were:

Dennis Billo, Chairman, Bruno
Perry Kirkham, Vice-Chairman, Saltcoats
Jack Rynsburger, Melville
Ed Rosenberg, Humboldt
Fred Kurulak, Biggar

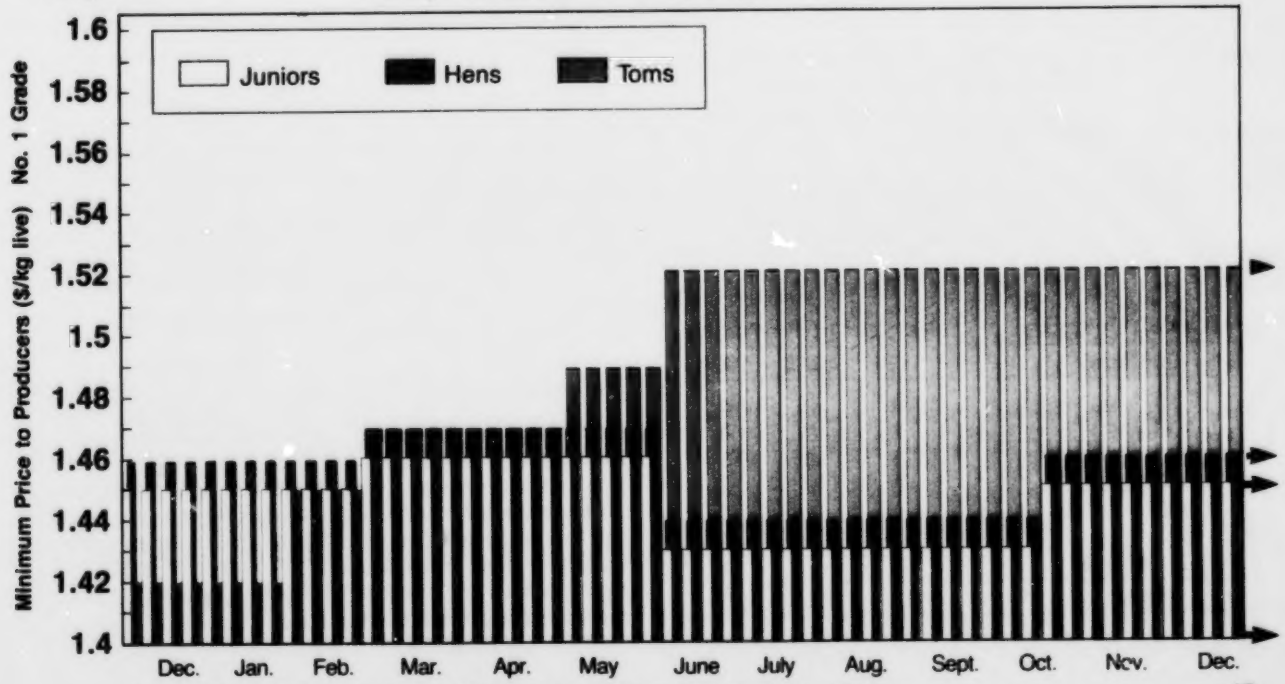
Fred Longstaff, Manager, Saskatoon

The Saskatchewan Turkey Producers' Marketing Board participates in the Canadian Turkey Marketing Agency (CTMA) to set the quota for turkey produced in Saskatchewan. The Board also establishes the minimum price at which turkeys produced in Saskatchewan are sold. The objective of the Board is to improve and stabilize producer returns.

Production and Marketing

Table #8 gives a historical account of production volume and value of commercial turkeys sold in Saskatchewan. The disposition of marketings on an eviscerated basis is shown in Table #9.

Graph 3 **Turkey Producer Price Changes in 1989**



Source: Sask. Turkey Producers Marketing Board Price Bulletins Nos. 117-124

Table #9

Market Breakdown by Destination 1987-1989

	Percentage			Kilograms
	1987	1988	1989	(evisc)
Saskatchewan	60.7	57.6	58.7	2,602,701
Out-of-Province - Alberta	21.6	21.9	21.6	953,341
- Manitoba	17.7	20.5	19.7	870,580
Total Marketings	100.0	100.0	100.0	4,426,622

In 1989, total marketings by Saskatchewan producers were 4,426,624 kgs (eviscerated). There were five price changes during the year with juniors and hens holding fairly steady, from a low of $1.53 to a high of $1.56 for No. 1's. However, toms gradually increased from $1.47 to $1.58 per live kg. Based on producer minimum prices and average 1989 grade-outs, the average price paid for juniors was $1.53. Hens received $1.52 and toms received $1.556 per live kg for a total value of $8,179,045.00. This represents an 8.8% increase in the value of marketings over 1988. Graph #3 illustrates the 1989 producer price fluctuations.

Review of 1989

Saskatchewan production came to within 1% of the provincial allocation of 4,473 million kgs (evisc) in 1989. National storage stocks were down 5,028 million kgs from levels at the end of 1988. National quota allocation was 116,822 million kgs. 0.8% higher than the 1988 allocation. Saskatchewan's share was 3.8% of the Canadian allocation in 1989.

With feed prices dropping $30.00 to $40.00 per tonne and the average turkey price up 8 cents over 1988, most producers experienced a good year. The distribution of quota among Saskatchewan producers is described in Table #10.

Table #10

Saskatchewan Turkey Quota Distribution 1987-1989
(live kgs per year)

Production Category	Number of Producers		
(1000 kgs)	1987	1988	1989
10 - 99	8	9	10
100 - 199	7	8	8
200 - 299	3	3	3
300 - 399	2	2	2
400 - 499	1	1	1
500 - 599	1	1	1
600 and over	1	1	1
Total	23	25	26

Outlook for 1990

Strong national demand for turkey products in the last few months of 1989 indicated that the production level of 116.8 million kgs would be reached. A strong market and steady production costs suggest that the 1990 preliminary production estimate of 120.7 million kgs (increase of 3.9% over 1989) may be revised upward in February 1990 if storage stocks remain low.

Saskatchewan Pork Producers Marketing Board

The directors of the Saskatchewan Pork Producers' Marketing Board in 1989 were:

Richard Wright, Chairman, Wawota
Ben Gaudet, Vice-Chairman, Bellevue
Harvey Wagner, Vice-Chairman, Hague
Rick Klassen, Watrous
Donald Kolla, Cudworth
Peter Volk, Tramping Lake
Irvin Yorga, Flintoft

Jim Morris, General Manager, Saskatoon

The Saskatchewan Pork Producers' Marketing Board markets all slaughter hogs produced in Saskatchewan, provides production and marketing information to producers through the Board's newsletter, contributes towards research projects for hogs, promotes pork consumption and administers Saskatchewan's part of the National Tripartite Stabilization Program for hogs.

Marketing Summary

Marketings in 1989 were 1,107,462 head; this represents a 5.4% increase over 1988. The number of production units marketing hogs through the Board in 1989 decreased to 5371 units from 6411 units in 1988. The total value of marketings increased from $109.9 million in 1988 to $112.7 million in 1989, representing an increase of 2.5%. Table #11 summarizes recent marketings.

Table #11

Marketing Highlights 1988 and 1989

	1988	1989
Total Hog Sales (Saskatchewan origin)	1,027,675	1,069,956
Hogs Settled by Small Plants and Sow Auctions	22,975	37,506
Total Saskatchewan Marketings	1,050,650	1,107,462
Active Producers	6,411	5,371
Gross Paid to Producers	$109,946,876	$112,673,676
Weekly Delivery Highlights		
High - Week Ending Oct 21/88	23,417	
- Pool Price That Week	$117.20	
- Week Ending Jun 30/89		29,932
Pool Price That Week		$134.50
Low - Week Ending Feb 5/88	15,062	
- Pool Price That Week	$143.00	
- Week Ending Feb 3/89		14,410
Pool Price That Week		$123.40
Grading Highlights		
Average Index (excluding 67's *)	102.6	103.0
Per cent Hogs Grading 101 and Over	65.9	67.2
Average Hog Weight (dressed kgs)	80.5	80.1
Price Highlights		
Average Hog Price ($/ckg **, dressed, index 100)	$130.89	$127.64
Average Gross Value per Hog	$107.33	$105.32
High - Pool Price Week Ending Jun 10/88	$157.50	
- Pool Price Week Ending Jul 21/89		$143.40
Low - Pool Price Week Ending Nov 25/88	$111.00	
- Pool Price Week Ending Mar 31/89		$105.90
Average Sow Price ($/kg, dressed [1] heavy)	$77.62	$85.18
Boar Sales		
Number Sold	5,150	5,063
Average Price ($/kg, live)	$46.32	$42.03

* 67's are ridglings
** ckg [5] 100 kilograms
Note: Weights are expressed in kilograms; prices in dollars per 100 kilograms.

Destination of Hogs

In 1989, 90.4% of hogs went to slaughter in Saskatchewan. Shipments to the U.S.A. increased from 1.07% in 1987, to 3.65% in 1988 and to 6.3% of yearly totals marketed in 1989. Shipments to other provinces also increased from 1.68% in 1988 to 3.2% of yearly totals marketed in 1989. Table #12 demonstrates the breakdown of hogs marketed by destination.

Table #12

Destination of Hogs 1988 and 1989

Destination	Quantity		Percentage	
	1988	1989	1988	1989
Saskatchewan	972,923	967,717	94.7	90.5
Other Provinces	17,291	34,351	1.7	3.2
U.S.A.	37,461	67,888	3.6	6.3
Totals	1,027,675	1,069,956	100.0	100.0

Pork Promotion

The pork promotion levy for the first six months of 1989 was 23 cents per hog. Canada Pork received 15 cents to fund retail promotions and the foodservices program. The remaining 8 cents was used for Saskatchewan promotions. In July, the levy was raised to 33 cents per hog in order to fund a study to review promotional strategy.

Canada Pork increased services in 1989 with an expanded retail program, restaurant promotions, new personnel and a new approach to servicing the different regions. The Saskatchewan Pork Producers' Marketing Board, in conjunction with the Manitoba board, developed a promotion program specific to Canada Safeway incorporating a personal approach with individual stores. The crown roast promotion from Canada Pork, designed for the holiday season, was delivered in this manner. Canada Pork and Agriculture Canada developed an up-dated, multi-use technical chart. The chart, which pictures the various pork cuts on its front, and storage, cooking and nutritional information on the back, has been well received by educators, nutritionists, the retail meat trade and food service operators. The Board was involved in seminars for up-dating meat managers from IGA, Federated Co-op and the Canadian Independent Grocers. The Canadian Western Agribition was a continued success in 1989.

Board Activities in 1989

Prices in 1989 remained low with prices in the first quarter ranging around $117.20, increasing to $124.12 for the second quarter. The third quarter went as high as $136.42 but decreased back to $134.93 for the fourth quarter average. Price stabilization payments were necessary throughout the year to support producers.

For the second year in a row, Saskatchewan produced over one million hogs. Saskatchewan production increased over 1988 by 4% to 1,064,712 hogs. Canadian production also increased around 1% over 1988 to 15.4 million hogs reflecting the North American trend towards increased production in 1989. Countervailing duties became a reality in May 1989 when the U.S.A. placed a 3.5 cent/pound duty on Canadian pork. Shipments of Canadian processed pork in 1989 were approximately half the 1988 with approximately 250,000 tons being shipped to the U.S.A. Offsetting the decline in pork shipments was a small increase in the total number of live hogs shipped from Canada to the U.S.A.

Outlook for 1990

The forecast for 1990 is for production decline both in Canada and the U.S.A. With this expected reduction in production and the possibility of new world markets, the demand for pork is expected to improve. With the strengthening demand in 1990, pork prices will tend to improve. Pork prices will tend to improve as demand strengthens in 1990.

Saskatchewan Pulse Crop Development Board

The directors of the Saskatchewan Pulse Crop Development Board in 1989 were:

Greg Simpson, Chairman, Moose Jaw
Vince Walker, Vice-Chairman, Star City
Keith Cheston, Regina
Ray Cooper, Laporte
Ron McKinnon, Abernethy
Bill Sheppard, Lucky Lake
Don Tait, Elrose

Don Jaques, Administrator, Regina

The Saskatchewan Pulse Crop Development Plan was established July 13, 1984. The general intent of the plan is to provide for the orderly marketing and effective development of the Saskatchewan pulse crop industry. The purposes of the plan are as follows:

1. Promoting and developing the Saskatchewan pulse crop industry;

2. Developing procedures to maximize returns to producers;

3. Gathering, compiling and distributing information related to production, consumption and marketing of pulse crops;

4. Conducting and encouraging research on the production, marketing, processing and consumption of pulse crops; and

5. Promoting and improving communication amongst individuals and organizations within the pulse crop industry.

Producer Marketings

During 1989, there were 4,967 producers registered with the Board, down 14% from 1988 but still up from 1987 by 315 producers. Close to $200,000 in check-off was collected in 1989 representing gross sales of pulses of $40 million. This is down $17 million or 29.8% from 1988.

Activities in 1989

Through the administration of a check-off fund, the Board generates funds for administration, research, promotion and development. Activities in 1989 included ten Board meetings and the production of six newsletters. Two field days were organized for North Battleford and Outlook to acquaint producers with ongoing research projects. Representatives of the Board also participated in activities related to domestic market development, export market development, research and promotion of pulse crops.

Revenues from the crop of 1989 were down significantly due to the decreased acreage and production volume. As a result, ongoing research would be maintained but new research projects were deferred until 1991.

Research

The Board supported 23 pulse production research projects during 1989 at an expenditure of $200,000. Market development work was also a priority with an expenditure of approximately $150,000 in 1989.

Outlook for 1990

The outlook for 1990 is for continued decline in the value of pulse crops grown in Saskatchewan by approximately 13%. However, the long term outlook appears positive and is expected to be assisted by a $2.2 million Five Year Plan for market development. A main priority for the Board in coming years is market development. The Five Year Plan is aimed at achieving greater markets through consumer education and capturing markets from products presently imported.

Saskatchewan Sheep and Wool Marketing Commission

The directors for the Saskatchewan Sheep and Wool Marketing Commission during 1989 were:

Larry Sothmann, Chairman, Elrose*
Leslie Flaig, Vice-Chairman, Piapot
Elaine Clarke, Spy Hill
Virginia Fox, Lloydminster
Dylan Roberts, Melfort
Colleen Sawyer, Member and Interim Manager, Vanscoy

*Note: Mr. Larry Sothmann retired from the Commission prior to October 26, 1989, but a replacement was not appointed because of the pending establishment of the new board.

The purpose of the Saskatchewan Sheep and Wool Marketing Commission was to provide a marketing service for producers who wished to have the Commission market their sheep and wool. The Commission also administered a check-off on sheep and wool which was used to fund research, development and promotion as well as pay part of the Commission's cost of administration.

1989 Marketings

Table #13 is a summary of the Commission's marketings in 1988 and 1989. Data is included up to October 26, 1989.

Table #13

Marketing Summary 1987-1989

	1987	1988	1989
Number of Lambs Marketed	6,817	5,182	4,805
Average Gross Value/Head	$89.40	$77.61	$70.89
Average Selling Cost/Head	$6.12	$6.31	$6.34
Number of Sheep Marketed	1,039	863	711
Average Gross Value/Head	$48.26	$36.08	$30.34
Average Selling Cost/Head	$5.61	$5.79	$5.17
Total Number of Sheep and Lamb Marketed	7,836	6,045	5,516
Total Gross Value	$661,003	$417,479	$362,173
Total Selling Cost	$47,702	$37,301	$34,149
Average Selling Cost/Head	$5.61	$6.17	$6.19

Review of 1989

A significant step was taken in 1989 to put the Saskatchewan sheep industry in a position to develop its potential. The establishment of the producer elected and operated Saskatchewan Sheep Development Board on October 26, 1989, represents the culmination of years of work by producers interested in taking a lead role in the development of their industry. A provincial plebiscite was conducted by the Council in June 1989. The results of the vote were positive and were made public in July. In the period prior to the establishment of the new Board, the Commission continued marketing and information services. With the impending establishment of a new producer operated Board, the Commission assisted in the development and drafting of the new Board's operational and marketing procedures. A complete set of marketing orders for the new Board were approved by the Council and went into effect on October 26, 1989.

Saskatchewan Sheep Development Board

The Saskatchewan Sheep Development Board was established on October 26, 1989 under authority of **The Natural Products Marketing Act.** The interim board of directors appointed to get activities under way were:

Leslie Flaig, Chairman, Piapot
Virginia Fox, Lloydminster
Garth Messenger, Elrose
Dylan Roberts, Melfort
Colleen Sawyer, Member and Interim Manager, Vanscoy

The general purpose of the plan is to provide for the orderly and effective development of the Saskatchewan sheep industry. Specific aims are:

1. To coordinate and inform the industry on matters relating to the production and marketing of sheep products;
2. To promote harmony and communication within the industry;
3. To develop the potential of the sheep industry through extension, development of the market and the promotion of sheep products; and
4. To ensure the provision of services required for the profitable marketing of sheep products.

The plan is to be administered by an interim appointed Board of Directors until such time as an election is held prior to October 1990. The interim Board is charged with the responsibility of getting the Board up and running and conducting the first election.

Review of 1989

Prior to official establishment of the Board, the Council assisted members of the interim Board in developing and full set of operational and marketing orders. Having the orders ready to be put in place at the establishment of the Board allowed for a smooth transition between the outgoing Commission and the new Board. The significant difference between the Commission and the Board was the method of producer check-off. The Board adopted a new system based on a fixed fee per breeding ewe to be collected annually from producers with ten or more ewes. All sheep producers are subject to the check-off. It is a priority of the new Board to use the check-off contributions to the best advantage of the industry by offering a package of services that are of value to all sheep producers. Assembly and marketing services

were continued by the interim Board but are to be reviewed in 1990 in terms of cost-benefit to the industry and the Board. Another priority of the Board was to establish a strong communication with producers. In December, the Board held producer meetings in each of the five electoral regions for the purpose of acquainting producers with the new plan. Feedback was received on the needs of the industry and producers were encouraged to actively seek nominations for the first election expected to be held in April of 1990.

Outlook for 1990

The Board looks forward to holding its first election in the spring of 1990. One member is to be elected to the Board from each of five geographical regions. The new Board will be reviewing policies and operations and making changes necessary to encourage development of the industry. The Board is also looking forward to receiving recommendations from Phase III of the Saskatchewan Industry Development Implementation Plan presently being conducted by Harvest Foods Consultants. The market outlook for 1990 expects that feedlot lamb prices will be lower due to higher supplies of lambs from the domestic and U.S.A. market.

Saskatchewan Vegetable Marketing and Development Board

The provisional board of directors of the Saskatchewan Vegetable Marketing and Development Board, in place for the first six months of 1989, were:

William Childerhose, Chairman, Outlook
Eugene Johns, Henribourg
John Langford, Craven
Carl Larsen, Radville
Harry Meyers, Outlook

The first elected board of directors, in place for the remainder of 1989 were:

John Langford, Chairman, Craven
Elwyn Vermette, Vice-Chairman, Yorkton
Phil Dyck, Saskatoon
Oliver Green, Outlook
Shawn Hansen, Craven

Don Jaques, Administrator, Regina.

The Saskatchewan Vegetable Marketing and Development Plan was established on July 8, 1988. The general purpose of the plan is to provide for the orderly and effective development of the Saskatchewan vegetable industry. The goals of the Board include:

1. Promoting and developing the vegetable industry;
2. Maximizing returns to vegetable producers;
3. Gathering and distributing production and marketing information;
4. Improving communication amongst individuals and organizations within the vegetable industry;
5. Encouraging the development of vegetable processing in Saskatchewan; and
6. Conducting and promoting research relating to the production and marketing of vegetables.

Review of 1989

The first election of the Board took place in the spring of 1989. Since that time the Board has been developing and implementing its policies and procedures for producer registration, buyer registration and a workable levy collection system. The Board has also developed and implemented a new market information service available to registered producers seeking up-dates on the vegetable market. A short time after the Board implemented a levy collection system resistance was encountered from the vegetable wholesalers. There was a concern that the levy collection system had been planned and implemented without full consultation with the vegetable wholesalers. With the assistance of the Council, the Board met with representatives of the wholesalers and negotiated a levy collection system that was acceptable to all sectors of the industry. The essence of the new system would be the use of Board invoices at the first point of sale to identify producers and the volume of vegetables sold. The 1.5% levy would then be collected directly from the producers by the Board based on the invoices submitted each month. The new levy collection was to go into effect on January 1, 1990. Weekly meetings of the Pricing Committee were begun in 1989. A price information "hot-line" was installed so that registered growers could call at any time and learn the latest suggested price of vegetables. Wholesale buyers were advised weekly of the prices suggested by the Board.

Five newsletters were published and distributed in 1989. All registered growers as well as any other interested parties received the newsletter.

Outlook for 1990

The Board will proceed with the invoice levy collection system and make whatever adjustments are required to render the procedure as efficient as possible. It is expected that all growers and wholesalers will cooperate in administering the new system. The pricing committee will continue to confer on a weekly basis in 1990. Marketing strategy and development will be a priority for the Board in 1990. Liaison with other provincial vegetable marketing agencies will be also be enhanced in 1990 if budget permits.

National Marketing Agencies

The Natural Products Marketing Council is a signatory to three federal-provincial agreements which have established national marketing agencies for chicken, turkey and eggs. National agencies, consisting of producer representatives from each participating provincial commodity board, operate as a result of these agreements. The agencies manage the quantity of these products produced in Canada. The agencies include the Canadian Chicken Marketing Agency (CCMA), the Canadian Egg Marketing Agency (CEMA) and the Canadian Turkey Marketing Agency (CTMA). Saskatchewan is not a signatory to the Canadian Broiler Hatching Egg Agency.

Each national agency allocates a Canadian quota among participating provincial commodity boards, who in turn allocate their provincial allotments to individual producers within provincial boundaries. The national agencies target production to meet market demand at a price which covers the average producer's cost of production plus a reasonable return on investment. The Canadian Egg Marketing Agency prices eggs centrally, while provincial commodity boards price chicken and turkey.

As a signatory to each of the federal-provincial agreements, the Natural Products Marketing Council has duties relating to the operations of the national marketing agencies. No meetings of the signatories were held in 1989.

To facilitate communication between signatories, the National Farm Products Marketing Council called two seminars in 1989 of supervisory board representatives to review current activities and issues relevant to the performance of the national poultry marketing agencies.

The supervisory board seminars dealt with the following issues:

a) CEMA's financial deficit escalated in 1989. During the latter part of 1988 and early 1989, the CEMA experienced unexpectedly high levels of surplus product. While the supply was steady, demand was below normal and the costs of removal of surplus eggs had risen significantly. National Council approved a four cent increase in the levy in March, but this action failed to control the growing deficit in the surplus removal fund. As a result, CEMA's financial status reached crisis proportions by the summer of 1989. By October 1989, signatories, National Council and the CEMA had agreed upon a financial recovery strategy based on a) implementation of a strong austerity program for CEMA; b) no changes to the consumer/producer levy structure or levels; c) a one time only shift of funds from the producer fund to the consumer fund; and d) a national 2% quota cut (the third since 1988). By the end of 1989 the CEMA was showing positive signs of recovery.

b) i) British Columbia's decision to withdraw from the CCMA was not reversed and after December 31, 1989, B.C. was effectively out of the CCMA. Indications were that B.C. would rejoin the CCMA when assurances could be given that they would be able to receive all the production quota necessary to serve their rapidly growing chicken market.

ii) Alberta made an official application to join the CCMA in December 1989. National Council was in the process of obtaining the written approval of all the signatories to the federal-provincial Agreement. Saskatchewan signatories were in the process of determining the ramifications of providing such an approval on the immediate and long term viability of the Saskatchewan chicken industry.

c) The national supply management agencies were undergoing significant review in the context of improving their ability to respond to the marketplace. Two significant national initiatives were taken in 1989 to encourage change.

i) On December 7, 1989, Agriculture Canada announced the establishment of a National Poultry Task Force to advise the Minister on policy related to improving the poultry marketing system's flexibility in responding to demands of the marketplace. The task force included a dozen persons representing all corners of the marketing system. Mrs. Carol Teichrob, a Saskatchewan poultry producer was named as CEMA's representative on the task force. The task force was expected to deliver its main report and recommendations by the fall of 1990.

ii) Signatories and representatives of all sectors of the agricultural and food marketing system met with government officials at the National Agri-Food Policy Conference in Ottawa on December 11 and 12, 1989. Producer representatives were given the opportunity of meeting and discussing with other industry representatives the future of supply management industries. Special attention was paid to supply management's ability to nurture growth and respond effectively to the needs of a dynamic and evolving domestic and international marketplace.